United Nations DP/2006/38

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.: General
20 July 2006

Original: English

Second regular session 2006
11 to 15 September 2006, New York
Item 2 of the provisional agenda
Financial, administrative and budgetary matters

Information on United Nations system technical cooperation expenditures, 2005

Summary

The present report contains a summary of the technical cooperation expenditure of the United Nations system as a whole. In particular, it provides an analysis of technical cooperation provided by UNDP, UNFPA, the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and other funds, programmes and specialized agencies.

For the purposes of the report, technical cooperation assistance is the summation of field programme expenditure, net of support and administrative costs. The World Bank/International Development Association (IDA) is excluded from this traditional definition of technical cooperation; its contributions are viewed as free-standing, grant-free assistance aimed at expanding the 'software' aspects of development. The World Bank/IDA does, however, offer a similar category of assistance specifically geared to backstop its large-scale programmes and projects.

A complete account of expenditure on development activities undertaken by the entire United Nations system can be found in the annual report of the Secretary-General on development activities 2005 (A/60/83 and E/2005/72). The analysis provided in the present report is based on the data presented at the end of the report and on the addendum (DP/2006/38/Add.1).

The Executive Board may wish to take note of the present report.

06-43896 (E) 090806

I. Highlights

1. In 2005 technical cooperation between the United Nations system (excluding the World Bank Group) and programme countries exceeded $12.2 billion. This is the highest level of expenditure for the last decade and reflects an overall increase of 22.2 percent over 2004 expenditure level of $10 billion. Delivery of technical cooperation by the specialized agencies, funds and programmes showed an increase of 26.7 per cent, from $2.6 billion in 2004 to $3.3 billion in 2005. UNDP reported the largest delivery for the 5-year period (2001-2005) of $3.6 billion. This represents an increase of almost 29.7 per cent over the $2.8 billion expenditure level established in 2004. WFP, a key partner in the development process, which over time delivered the second largest programme among the organizations, reported a small decline of 0.2 per cent in total delivery. UNICEF reported an increase of 45.9 per cent, from $1.3 billion in 2004 to $2 billion in 2005. UNFPA posted an increase of 22.1 per cent, from $317.6 million in 2004 to $388 million in 2005. The 5-year growth trend in technical cooperation delivered by the agencies, funds and programmes is shown in figures 1 and 2.

2. World Bank/IDA assistance to the developing world amounted to $336.6 million in 2005, an increase of 23.9 per cent from the 2004 figure of $271.6 million. Starting in 1998, the World Bank/IDA took the decision to eliminate specifically recording expenditures for technical cooperation activities. Thereafter, summary data submitted represented a combination of loans and grants related to assistance preceding, or combined with, large-scale programmes and projects.

3. The last four years saw minimal change in the geographic pattern of United Nations system-wide technical assistance cooperation within the regions of the world (see figures 3 and 4). Africa received the largest amount of development assistance – $3.5 billion, equivalent to 28.9 per cent of total delivery in 2005 – while Asia and the Pacific accounted for $2.7 billion or 22.3 per cent, and the Arab States region received $2.3 billion, equivalent to 19.1 per cent. Overall, in 2005 UNDP was the largest contributor to development cooperation activities, with a 29.7 per cent share, equivalent to $3.6 billion of the entire regional expenditure pool of $12.2 billion. WFP reported a 23.7 per cent share at $2.9 billion, while UNICEF provided 16 per cent, for a total amount of $2 billion, and UNFPA 3.1 per cent, or $388 million.

Figure 1. United Nations system overall technical cooperation expenditure - five year trend, 2001-2005

(in millions of dollars)

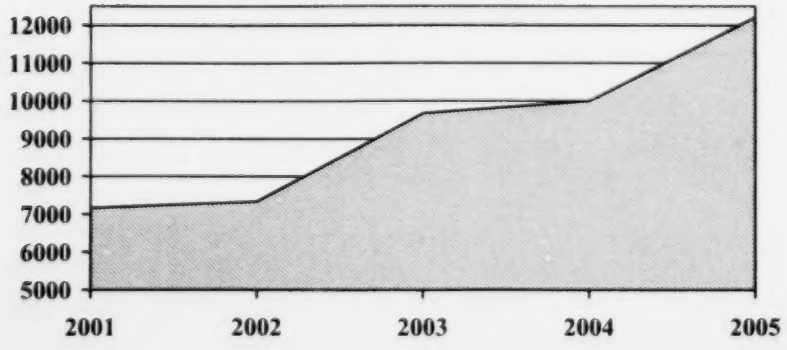


Figure 2. United Nations system technical cooperation expenditure, 2001-2005: by organization

(in millions of dollars)

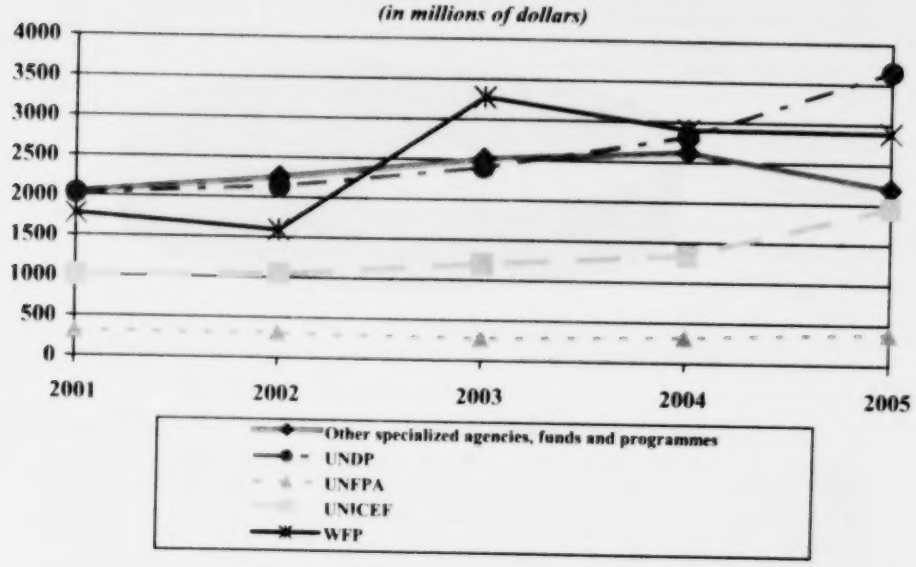
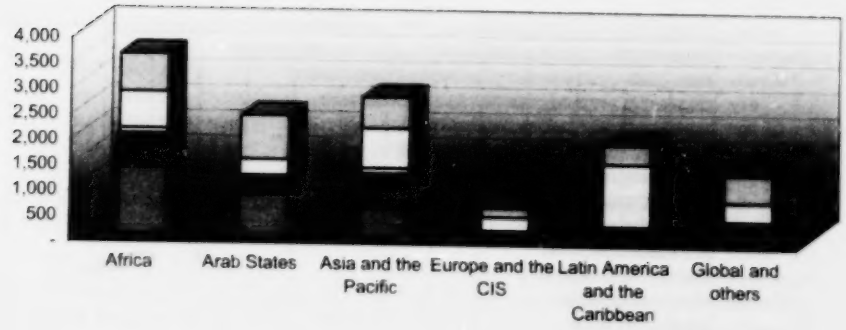


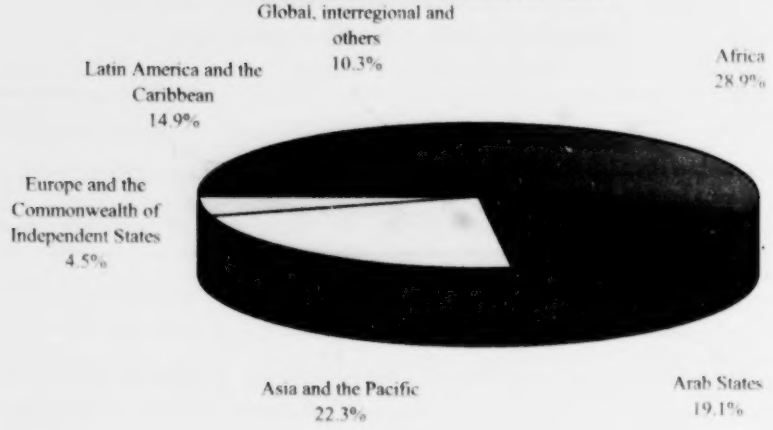
Figure 3. United Nations system technical cooperation, 2005: geographic breakdown

(*in thousands of dollars*)



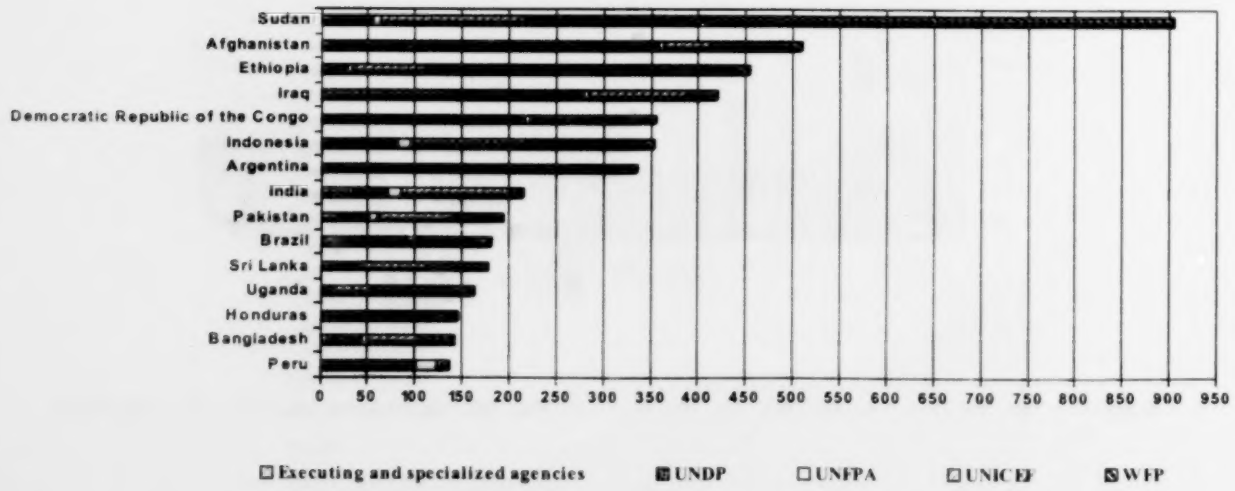
■WFP ■UNICEF □UNFPA □UNDP □Other specialized agencies, funds and programmes

Figure 4. United Nations system technical cooperation, 2005: percentage share by region ($12.2 billion)



4. Five countries received 23 percent of the total pool of United Nations system expenditures in 2005: Sudan ($954 million), Afghanistan ($542 million), Ethiopia ($477 million), Iraq ($418) and Indonesia ($383 million). This year 28 countries received over $100 million in total United Nations system technical cooperation, accounting for $6.5 billion, or 53.2 per cent of the total $12.2 billion delivery. Figure 5 provides a schematic view of the top 15 recipients of United Nations technical cooperation.

Figure 5. Top 15 recipients of United Nations system technical assistance, 2005
(in millions of dollars)



5. Following the trend established during the last five years, the sectors that captured the highest percentage of all United Nations technical cooperation expenditure in 2005 were humanitarian assistance – $2.5 billion, representing 20 per cent, and health – $2.7 billion, equivalent to 21.8 per cent out of the total technical cooperation expenditure of $12.2 billion. WFP recorded the highest expenditures for humanitarian assistance-related activities: $1.8 billion, equivalent to 62.1 per cent of its $2.9 billion contribution to technical cooperation activities. As anticipated, UNFPA concentrated its activities on population projects and programmes, which totalled $388 million in 2005. This was an increase of 22 per cent over the 2004 figure of $317.6 million. Lastly, UNDP focused the majority of its expenditures in the area of general development issues to the tune of $ 792.7 million from its central resources, in addition to $ 477 million from its administered funds bringing its overall contribution to this expenditure category to $1.2 billion or 33.9 percent of its total 2005 contribution to technical cooperation activities of $3.7 billion.

II. Analysis of technical cooperation by organization

A. Other funds, programmes and specialized agencies

6. Five agencies accounted for $10.4 billion or 84.8 per cent of total technical cooperation delivered to programme countries of $12.2 billion. Continuing its five-year trend established in 2001, World Health Organization (WHO), delivered $1.1 billion of technical cooperation from combined regular and extra-budgetary funding. An analysis of total agency technical cooperation expenditures by organization show that United Nations Relief and Works Agency for Palestine Refugees in the Near East delivered 14.5 per cent or $481 million of expenditures, followed by the International Labour Organization at 5.6 per cent, or $186 million. The United Nations Industrial Development Organization posted expenditure of 3.7 per cent, or $105 million, while the International Atomic Energy Agency reported 2.2 per cent, or $74 million.

7. 2005 witnessed a substantial rise in expenditures funded from regular budgets, from $497 million in 2004 to $597 million in 2005, representing an increase of 12 per cent. Also realized was an increase of 12.8 per cent in expenditures funded from extra-budgetary sources other than UNDP, UNDP-administered funds, UNFPA, UNICEF and WFP, from $2.1 billion in 2004 to $2.7 billion in 2005. Additionally, an increase of 12.7 per cent was reported in other funds, programmes and specialized agencies expenditure delivery, from $2.6 billion in 2004 to $3.3 billion in 2005.

8. The data on sectoral distribution indicated that health, humanitarian assistance and general development issues, respectively, dominated programme expenditure for the years 2001 through 2005. These three sectors shared over $6.9 billion, or 57 per cent of the total pool of funds, programmes and specialized agencies development cooperation of $12.2 billion. The following sectors reported a decline in technical cooperation expenditure for 2005: human settlements (23.0) per cent, employment (38.4) per cent and trade and development (13.5) per cent.

9. In 2005 Sudan and Afghanistan accounted for the highest proportion of resources delivered by the group of other funds, programmes and specialized agencies. Ethiopia was also among the top ten recipients, with $477 million, while Iraq accounted for $418 million. Two other countries rounded off the list of top

recipients of United Nations system technical cooperation expenditure: Indonesia, at $383 million, and the Democratic Republic of the Congo, at $373 million.

10. Total contributions to other funds, programmes and specialized agencies increased by 26.6 per cent in 2005, from $2.6 billion in 2004 to $3.2 billion in 2005.

B. United Nations Development Programme

11. UNDP continued its upward trend in delivery of both regular and extra-budgetary expenditure. For regular resources, there was a 20.2 per cent increase, from $496.7 million in 2004 to $596.9 million in 2005. An increase was also seen in delivery of UNDP-administered funds, from $ 799.5 million in 2004 to $ 1.1 billion in 2005, an increase of 39.8 per cent. Total overall delivery for UNDP in 2005 was $3.65 billion, representing an increase of 29.7 per cent over 2004 delivery of $2.82 billion.

12. Contributions to UNDP regular resources recorded an increase of 9.7 per cent, from $833 million in 2004 to $915 million in 2005, the highest amount received in the last seven years.

C. World Food Programme

13. WFP technical cooperation expenditure for 2005 remained within the $2.9 billion area, as had been the case in 2004. In keeping with its mandate to assist victims of human-provoked and natural disasters, WFP expended most of its resources in the humanitarian assistance sector. For the current year, $1.8 billion was allocated to this sector, a decline of 9.9 per cent compared to $2 billion in 2004. The major regions that benefited from WFP delivery were: Africa, $1.3 billion, and the Arab States, $0.8 billion, with Africa receiving the bulk of expenditure for the third consecutive year. Four countries received over $100 million of WFP support in 2005: Sudan, $685 million; Ethiopia, $336 million; Indonesia, $134 million; and Uganda, $111 million.

14. Contributions made to WFP declined by 9 per cent, from $3.3 billion in 2004 to $3 billion in 2005. Of this amount, 87 per cent, or $2.6 billion, represents the contributions from governments of Member States.

D. United Nations Children's Fund

15. UNICEF continued its expansion in the technical cooperation arena with an increase of 45.9 per cent, from $1.3 billion in 2004 to $2 billion in 2005, surpassing the $1 billion level for the fifth straight year. The bulk of this expenditure was channelled to health-related activities, on which $730 million, or 37.2 per cent, was expended. Three other sectors were the focus of UNICEF activities in 2005: general development issues, which received $445.1 million ($322.5 million in 2004); education, which received $310.7 million over the $181.8 million in 2004; and the environment, which received $206.8 million, an increase over the $131.3 million expended in 2004. Altogether, these four sectors attracted almost $1.7 billion – 86.4 per cent of the $2 billion total of UNICEF assistance recorded in 2005.

16. Since 1996, the Asia and the Pacific and Africa regions have been the largest partners of UNICEF cooperation, and 2005 was no exception. Asia and the Pacific absorbed $694.6 million, while Africa absorbed $677.9 million. Both regions in

total received nearly $1.4 billion, or 70 per cent of overall UNICEF assistance. Worth noting was the growing cooperation with the Arab States, from $178.7 million in 2003, to $227.7 million in 2004, to $361.7 million in 2005. Four countries that received over $100 million in UNICEF assistance in 2005 were Sudan, with $154.5 million; Indonesia, with $121.4 million; India, with $115.2 million; and Iraq, with $104.9 million.

17. Total contributions to UNICEF increased by 75 per cent, from $1.6 billion in 2004 to $2.8 billion in 2005. Of this amount, contributions from governments of Member States represented 90.9 per cent or $2.5 billion.

E. United Nations Population Fund

18. UNFPA technical cooperation expenditure rose by 22.2 per cent, from $317.6 million in 2004 to $388 million in 2005. All regions, apart from the Arab States, witnessed increases in expenditure, most notably Asia and the Pacific, from $87.9 million in 2004 to $107.2 million in 2005. Africa absorbed $106.8 million – 27.5 per cent of overall expenditures – while Latin America and the Caribbean absorbed $50.8 million (13.1 per cent). UNFPA cooperation with Peru rose from $9.4 million in 2004 to $22 million in 2005, the highest level of assistance by UNFPA to any country during the year. Indonesia was a close second, receiving $15.7 million ($5.3 million in 2004). India ranked third, with a delivery of $13.7 million, as against $11.9 million in 2005.

19. Voluntary contributions to UNFPA activities increased by 19 per cent, from $406.6 million in 2004 to $483.8 million in 2005. This increase was primarily a result of a similar increase in contributions from governments of Member States to UNFPA.

F. The World Bank/International Development Association

20. As mentioned earlier, in lieu of specifically targeted expenditures for technical cooperation activities, the World Bank uses a combination of loans and grants related to assistance preceding, or combined with, large-scale programmes and projects. Funding for these activities is often provided from: (a) learning and innovation loans; (b) technical assistance loans; (c) institutional development funds; and (d) the development grant facility. Total expenditure for 2005 amounting to $336.6 million was expended through technical assistance loans –$70 million from the World Bank and $266.6 million from IDA.

Annex. United Nations system: summary statistics on technical cooperation expenditure and contributions, 2001-2005 *(in thousands of dollars)*

					[illegible]		[illegible]		[illegible]	
A. [illegible]					$M	% g/	$M	% g/	$M	% g/
Executing and specialized agencies	2 036.7	0.7	2 251.7	10.6	2 510.3	11.5	2 623.1	4.5	3322.8	26.7
Regular budgets	424.0	(9.7)	479.4	13.1	518.2	8.1	496.8	(4.1)	597.0	20.2
Extrabudgetary	1 612.7	3.8	1 772.4	9.9	1 992.1	12.4	2 126.3	6.7	2725.8	28.2
UNDP	2 026.6	5.7	2 138.0	5.5	2 401.6	12.3	2 816.7	17.3	3 652.9	29.7
Total programme	1 526.2	4.7	1 492.9	(2.2)	1 737.0	16.3	2 017.2	16.1	2 535.1	25.7
Regular	353.5	(12.6)	356.7	0.9	398.0	11.6	421.0	17.8	490.3	16.5
Government cost-sharing + GCCC	970.3	11.4	863.4	(11.0)	1 034.9	19.9	1 081.7	0.3	1 186.2	9.7
Third-party cost-sharing	202.4	10.8	272.8	34.8	304.0	11.4	514.5	67.9	858.6	66.9
Funds and administered trust funds	500.4	8.8	645.1	28.9	664.6	3.0	799.6	20.3	1 117.8	39.8
UNFPA	313.6	133.9	312.5	(0.4)	272.9	(12.7)	317.6	16.4	388.0	22.1
UNICEF	1 011.9	14.3	1 043.9	3.2	1 208.0	15.7	1 343.6	11.2	1 960.4	45.9
WFP c/	1 776.4	53.4	1 592.2	(10.4)	3 275.3	105.7	2 899.6	(11.5)	2 892.4	(0.2)
World Bank Group b/	-	-	-	-	374.5	-	271.6	(27.5)	336.6	23.9
World Bank	-	-	-	-	156.1	-	42.5	(72.8)	70.0	64.7
IDA	-	-	-	-	218.4	-	229.1	4.9	266.6	16.4
Other sources	-	-	-	-	-	-	-	-	-	-
Total (expenditures) excluding the World Bank Group	7 165.3	17.1	7 338.3	2.4	9 668.1	31.7	10 000.6	3.4	12 216.6	22.2
B. [illegible]										
Agencies – Extra-budgetary	1 984.5	10.7	1 952.1	(1.6)	2 577.2	32.0	2 575.7	(0.1)	3 195.6	24.1
Total bilateral	1 567.2	6.5	1 375.7	(12.2)	1 806.4	31.3	2 038.9	12.9	2 800.9	37.4
Countries/territories	1 115.7	4.7	1 075.4	(3.6)	1 384.0	28.7	1 567.1	13.2	2354.7	50.3
NGOs	189.2	(9.3)	99.3	(47.5)	188.7	90.0	207.8	10.1	127.1	(38.9)
Unilateral self-supporting	262.2	33.5	201.1	(23.3)	233.7	16.2	264.0	13.0	319.2	20.9
Total multilateral	417.3	30.0	576.4	38.1	770.8	33.7	536.8	(30.4)	394.7	(26.5)
United Nations system	298.8	26.1	411.4	37.7	549.4	33.5	278.1	(49.4)	173.0	(37.8)
Non-United Nations system	118.5	41.0	165.0	39.2	221.4	34.2	258.7	16.8	221.7	(14.3)
UNDP (Voluntary)	651.8	2.8	663.1	1.7	762.4	15.0	833.4	9.3	912.6	8.4
UNFPA (Voluntary)	349.1	36.5	312.0	(10.6)	334.6	7.2	406.6	21.5	483.8	19.0
UNICEF (Voluntary)	769.4	7.1	884.5	15.0	1 099.8	24.3	1 460.8	32.8	2 540.5	73.9
WFP (Voluntary) c/	1 501.1	19.4	1 622.0	8.1	2 471.2	52.4	1 898.7	(23.2)	2 572.6	35.5

a/ Represents percentage increase/decrease from previous year.

b/ After a two-year lapse, the World Bank submitted 2003 data.

c/ WFP submitted revised expenditure and contributions data for 1996, 1997, 1998 1999, 2000 and 2001 and revised contributions data for 2002.

Note: Contribution data refer to voluntary contributions to regular resources from Member States. Voluntary contributions comprise only one element of total income. In the case of UNDP, the other elements are cost-sharing; funds and trust funds; government cash counterpart contributions; contributions to local office costs; extra-budgetary activities; and management services agreements. In the case of UNICEF, other elements of income include various private sources, inter-organizational arrangements and miscellaneous.